

***Navigating Community Development: Harnessing Comparative Advantages to Create Strategic Partnerships***  
**By Robert O. Zdenek and Dee Walsh** **Publisher: Palgrave Macmillan**

This book describes the evolution of the community development sector over the past 50 years, and it presents a framework and road map for how community development organizations can advance their mission through strategic partnerships that utilize their core competencies. The authors describe the current community development ecosystem, define a range of essential community development competencies, and demonstrate, through seven case studies, how using comparative advantages built on core competencies can improve outcomes for communities. By recognizing and leading with their competencies and strengths, organizations can bring their specialized areas of expertise to address complex and interconnected community challenges, and effectively meet their missions and objectives.

A brief description of each of the seven case studies follows:

- **CDC of Brownsville**

The community of Brownsville is located in the Lower Rio Grande Valley in South Texas, a high poverty area where many of the residents are vulnerable to pervasive predatory lending practices in Texas. The CDC of Brownsville, together with a number of community partners, developed an alternative pay day lending product through the creation of the Community Loan Center (CLC). The CLC built upon CDC of Brownsville's capacity in community engagement, program development, and finance. The loan product is employer based, automated and efficient, and cost neutral to the employer. The loan is repaid through payroll deductions over 12 months with an origination fee of \$20 and 18 percent interest rate to cover expenses. The total cost to borrower is \$122 per \$1000 borrowed versus \$700 from payday lenders. CLC has grown from 792 loans its first year to nearly 18,000 as of November 2016 with almost 90% of the loans to people of color. CDC of Brownsville worked with multiple partners including Texas Community Capital, Rio Grande Valley Multibank, Texas Appleseed, and the University of Texas School of Law Community Law Clinic. The CLC has expanded beyond south Texas to other communities, with a goal of expanding nation-wide.

- **West Cook County Housing Collaborative**

The inner-ring suburbs and towns of Chicago experienced a high rate of foreclosure during the Great Recession. As federal resources became available to address the crisis, the Metropolitan Mayors Caucus (MMC) encouraged communities to work together to apply for funds. In West Cook county, five communities hit hard by foreclosure, banded together as the West Cook County Housing Collaborative (WCCHC). Lacking adequate staff to work on the foreclosure issue, WCCHC obtained philanthropic funds to contract with IFF, a large, mission-driven lender with strong real estate, lending and program management competencies, to facilitate their efforts. IFF successfully obtained several federal and philanthropic grants to renovate homes and multi-family structures. WCCHC, with the support of IFF, was able to deliver a coordinated strategy to address the foreclosure crisis, and raise millions of dollars. Neither of these things would have been accomplished had the individual communities tried to raise their own funds.

- **Fahe**

Fahe is a CDFI and a community development network of 55 organizations that serves Central Appalachia and surrounding areas. Fahe established the Berea Compact with its members with a goal of doubling their impact, including the number of affordable housing units developed. The Berea Compact is an example of a collaboration that relies on service specialization in that organizations with strong competencies in a particular area, such as: multi-family development, loan servicing, volunteer recruitment, manufactured housing, or mortgage broker services, take the lead for that body of work. The leaders have specialized expertise and are able to aggregate and distribute the services to other Fahe members. The work began as a pilot to learn and standardize the services before fully implementing. This approach has had some major successes. For example, Fahe has gone from servicing 800 loans annually to nearly 7000 and has expanded its mortgage lending from \$6.5 million to \$40 million. As of 2015, Fahe members produce over 8725 units per year of affordable housing. Fahe facilitates and coordinates the work of the network.

- **REACH Community Development - ACE Merger Case Study**

This case study describes a merger between REACH Community Development, a large regional housing developer (RHDO) in Portland, Oregon, and Affordable Community Environments (ACE), a small community development corporation in Vancouver, Washington. ACE had a small portfolio of rental housing and a strong reputation as a good community developer in Vancouver, but was experiencing financial challenges. REACH was looking to expand its development work, and had a strong staff and balance sheet, but no experience in Vancouver. Together, the two organizations had the ingredients of a good collaboration. The boards of the organizations went through a lengthy process to determine if a merger was right for them. This groundwork helped smooth the transition. The two organizations merged. The ACE staff was invited to join the REACH staff and the ACE housing portfolio became managed by REACH's property management staff. The result of the merger was that ACE's portfolio was maintained, and REACH was able to expand into another state with a highly-regarded local partner. Their complementary competencies enabled them to do more together than alone.

- **Fairmont Indigo Line Case Study**

The Fairmont Indigo CDC Collaborative was established in Boston with a focus on transit equity, smart growth, and affordable housing and economic development. The Collaborative worked to re-establish transit stops along the Fairmont Indigo commuter rail line to better serve the adjacent low-income communities. The CDCs that spearheaded the effort had worked in the surrounding neighborhoods for years and had strong community ties. Together, they helped raise nearly \$200 million federal and state funds to build four new stations, and develop nearly 800 affordable housing units and 80,000 square feet of light industrial and commercial space. By working together, the CDCs were able to take on a massive challenge and successfully bring new resources and opportunity to communities that had long been overlooked.

- **Northwest Side CDC**

Northwest Side CDC of Milwaukee, Wisconsin, shifted their strategy from real estate development to economic development, after experiencing losses with their real estate portfolio. NWCDC forged significant new partnerships with the local technology sector to create and maintain jobs and improve the physical and

economic environment of the neighborhood in which they worked. NWSCDC collaborated with Midwest Energy Consortium, the Milwaukee Technology Incubator and Energy Innovation Center, as well as educational institutions. NWSCDC used their fundraising, planning and networking competencies to access federal dollars, and help companies locate quality physical space and local workforce. NWSCDC was able to get and maintain political and financial support from public officials for their ventures. The net effect is that nearly 1000 new jobs have been created since 2000. The technology firms are committed to the neighborhood and view it as a strategic location, given the importance of power and control technologies in the local economy.

- **East Bay Asian Local Development Corporation**

The East Bay Asian Local Development Corporation (EBALDC) is a 40 year plus organization that serves a diverse community in Oakland and Alameda County, California. EBALDC has a strong track record of affordable housing development, commercial revitalization, and comprehensive services. EBALDC's board and staff leadership made a decision to focus on Healthy Neighborhoods as their core focus in 2013. EBALDC adapted a collaborative model in 2014 and formed the San Pablo Area Revitalization Corridor (SPARC). EBALDC has served as the "quarterback" and "backbone" of this initiative and brought together diverse stakeholders including: senior advocacy groups, federally qualified health centers, hospitals, health departments, public housing authority and others to develop strategies and initiatives that will lead to a healthier community. EBALDC has helped organize a community health food store, cleaned up blight, expanded health services in low-income housing projects, and, with others, developed more affordable housing in the community. EBALDC leadership will continue their focus on healthy neighborhoods into the foreseeable future, but expand to additional neighborhoods in Oakland.